

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--|---|-----------------|
| THE APPLICATION OF THELMA WASTE CONTROL, |) | |
| INC. TO UPGRADE ITS EXISTING SYSTEM, TO |) | CASE NO. 92-100 |
| FINANCE, AND TO ADJUST ITS RATES |) | |

O R D E R

On March 13, 1992, Thelma Waste Control, Inc. ("Thelma") applied for a Certificate of Public Convenience and Necessity to upgrade and construct two package sewage treatment plants.¹ Thelma also requested Commission authorization to adjust its rates and to borrow from the Kentucky Association of Counties Leasing Trust ("KACoLT") an amount not to exceed \$120,000 to finance its proposed construction. The proposed rates for sewer service would generate annual revenues of \$21,280.

In September 1992, Commission Staff conducted a field review of Thelma's financial records. Based upon this review, Commission Staff issued its report on February 9, 1993, recommending different rates which would produce annual revenues of \$21,280.

By Order dated February 9, 1993, the Commission ordered Thelma to submit its comments on the Commission Staff Report. Thelma subsequently advised the Commission of its acceptance of the Commission Staff's recommendations.

¹ After discovering that Thelma had already completed the proposed construction, the Commission, on August 11, 1992, found Thelma's application for a Certificate of Public Convenience and Necessity to be moot and dismissed it.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Commission Staff Report are supported by the evidence of record, are reasonable, and are adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in the Appendix to this Order, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Thelma and will produce gross annual revenues of \$21,280. These rates will allow Thelma sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt and will equitably distribute the cost of service to Thelma's customers.

3. The rates proposed by Thelma will not distribute the cost of sewer service equitably to Thelma's customers and, therefore, should be denied.

4. The proposed loan from KACoLT is for lawful objects within Thelma's corporate purposes, is necessary and appropriate for and consistent with proper performance by Thelma of its service to the public, and will not impair its ability to perform that service.

5. Thelma should be authorized to enter into a loan agreement with KACoLT as requested in its application.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Thelma in its application are denied.

2. The rates in the Appendix to this Order are approved for service rendered by Thelma on and after the date of this Order.

3. Within 30 days of the date of this Order, Thelma shall file with the Commission its revised tariff setting out the rates approved herein.

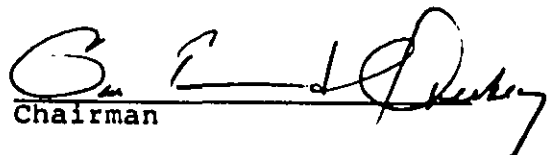
4. Thelma is authorized to borrow up to \$120,000 from KACoLT under the terms described in its application.

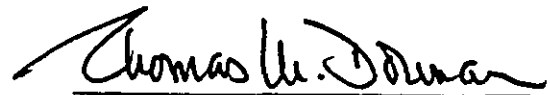
5. The proceeds from the proposed loan shall be used only for the lawful purposes set out in Thelma's application.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 16th day of March, 1993.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-100 DATED MARCH 16, 1993

The following rates and charges are prescribed for the customers in the area served by Thelma Waste Control, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Jim Hughes Subdivision

| <u>Customer Class</u> | <u>Flat Rate</u> |
|-----------------------|------------------|
| Residential | \$61.90 |

Thelma All-Electric Subdivision

| <u>Customer Class</u> | <u>Flat Rate</u> |
|-----------------------|------------------|
| Residential | \$31.30 |